

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



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A. DOCKET ROOM

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

August 7, 2003

Walt Sapronov, Esq.
Gerry & Sapronov LLP
Three Ravinia Drive, Suite 1455
Atlanta, Georgia 30346

RE: Docket # 03-00316

Dear Mr. Sapronov:

CLEC applicants are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. We received the 10-KSB for U.S. RealTel, Inc. for year-end 2002 with the original application that was filed on May 2, 2003. We received the same information again on May 16, 2003 in response to the May 9, 2003 Data Request and a third time on July 28, 2003 as an amendment to the Data Response sent on May 16, 2003. The Authority must have the financials for Cypress Communications Operating Company, Inc.

To assist the Authority in its review of Cypress Communications Operating Company, Inc.'s application for a Certificate of Convenience and Necessity to provide competing facilities-based local services in Tennessee, you are requested to provide the following:

1. Provide the year-end December 31, 2002 financial statements for Cypress Communications Operating Company, Inc. and/or Cypress Communications, Inc. including a Balance Sheet, Income Statement and Statement of Cash Flow.
2. Provide the most recent interim financial statements for 2003 for Cypress Communications Operating Company, Inc., Cypress Communications, Inc. and U.S. RealTel, Inc.
3. The Data Response of July 28, 2003 provides a page labeled "Statement of Promised Funding"; however, according to the 10-KSB filed with the same Data Response, that particular funding was raised to finance the acquisition of Intermedia Advanced Building Networks.¹ Please provide a statement of additional funding that is available going forward for the operation of Cypress Communications, Inc. and U.S. RealTel, Inc.

¹ U.S. RealTel, Inc. Form 10-KSB, 4. Acquisitions, Intermedia Advance Building Networks

4. Amend the Pre-Filed Testimony provided with the CLEC Application with any additional financial information you feel is needed to explain the financial abilities of Cypress Communications Operating Company, Inc. and Cypress Communications, Inc.

Please provide this information by August 18, 2003. If you have any questions concerning this request or need additional information, please call Patsy Fulton at 615-741-2904 ext. 193.

Sincerely,

A handwritten signature in cursive script that reads "Joe Werner". To the right of the signature, there is a small handwritten note "by CSM".

Joe Werner
Telecommunications Chief

Cc: Docket File